"UN Sanctions After Oil-for-Food: Still a Viable Diplomatic Tool?"

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Introduction

Thank you, Mr. Chairman, for the opportunity to testify before this distinguished Committee on a vexing question for all who hope that the peace and security interests of the United States and the wider global community can be advanced by the work of the United Nations. That question is simply***: in the wake of the findings of the Independent Inquiry Committee (IIC) on the United Nations Oil-for-Food program (commonly known as the Volcker Committee), related analyses – such as the recently released GAO study – and the recent proposals and controversies over UN management reform, can the Congress and the American people have confidence that UN imposed economic sanctions are a useful and powerful tool of multilateral diplomacy?***

In order to properly assess that critical question with you, I will divide my remarks into four sections. In the first, as requested, I provide a brief comment about my own experience with the United Nations in the sanctions field. Secondly, I will comment on the findings of the Volcker Committee and its implications for assessing the capacity of the UN system to develop effective sanctions. Thirdly, I will discuss the less well-known sanctions reform processes that since 1998 have created the capacity to impose what are called 'smart' sanctions. I expect to demonstrate that this internal sanctions reform process is the one that matters. These substantive reforms comprise a trend that should inspire Congressional confidence in contemporary UN sanctions. Finally, I will comment on the scope of recent administrative reforms which have occurred in varied UN sectors and their implications for stronger and more effective sanctions.

Being a student of sanctions

My own vantage point on the strengths and weaknesses of the current United Nations' capacity to impose effective sanctions emerges from fifteen years of on-going scholarly research and subsequent consulting work with various member states (disclosed in accompanying material) and sectors of the UN itself. In Appendix A, I provide some detail of this expertise that you may find helpful in establishing a context for my remarks.

Most relevant from my experience since 1990 is that our scholarly work has revealed clear generalizations across sanctions episodes which identify the conditions for successful sanctions. [A complete list of UN Security Council Sanctions Resolutions is provided in Appendix B]. UN Sanctions are most successful when:

- the Security Council details a very clear and limited number of demands in the sanctions resolution;
- the sanctions adopted by the Council and its members are one component of a more multifaceted means of persuasion/coercion aimed at the target;
- the Sanctions Committee charged with oversight of the sanctions has an active

and creative chair, especially regarding travel to the sanctioned state/area;
- an internal or external expert committee monitors sanctions effectiveness and recommends improvements which are acted upon by the Council early in the sanctions episode;
- the Council has made provisions for humanitarian exemptions, if needed;
- the Council can accomplish the sanctions objectives within two years of the date of the original resolution;
- the Council and its member states have established a strong border or contra-band monitoring and capturing system to enforce the sanctions;
- sanctions violators are identified and held accountable;
- a certain, more informal bargaining process emerges between the UN – either via the Council or its member states – and the target, regarding compliance;
- member states provide the target or actors within the target, with some incentives for sanctions compliance that are consistent with the goal of the sanctions;
- member states have the capacity – and of course the willingness – in their domestic legislation and legal enforcement mechanisms to implement the sanctions;
- the target believes that sanctions are fully supported by military force should sanctions fail.

Because we can posit conditions for sanctions success, it is not surprising that we also know when sanctions are destined for failure. In addition to not meeting the conditions consistent with sanctions success, failure of UN sanctions occur when:

- sanctions are so excessively punitive that they isolate a target from continued bargaining with either the Council or member states;
- sanctions provide leaders in the target with a classic 'rally around the flag' situation whereby they can successful portray the Council and its members as the offending party and deflect the focus from being their own behavior;
- the Council or its members fail to recognize and engage a target manifesting partial compliance with sanctions;
- certain member states overtake the voice and role of the Council as leader of the sanctions process;
- successful application of economic coercion on the target has produces no change in the political behavior or compliance of the target.

These patterns emerge as deductive conclusions from my work, and that of my research team, as a social scientist. At the same time I have been fortunate to be a rather direct observer-participant in the development of humanitarian concerns surrounding sanctions, and especially regarding the development of more targeted measures called smart sanctions. I have watched closely the formulation of a shared and significant enterprise undertaken by national officials, international civil servants within the UN bureaucracy, and a number of global citizens ranging from international bankers to academics. They have provided the groundwork for the smart sanctions of the present and

future. I conclude that this bodes well for US policy concerns regarding both the integrity and the effectiveness of UN sanctions.

Despite a great deal of time spent observing UN sanctions processes, studying the impact of specific measures, and engaging in dialogue with member states about their own disposition on such issues, the result of my experience and expertise is that I am neither an advocate of sanctions, nor a detractor. To advocate for the imposition of economic sanctions as a viable diplomatic tool in a given international concern or crisis is related, for me, to understanding their chances for success, as outlined above. I believe that our research work helps to identify how to arrive at such clarity.

Regarding the Iraq sanctions case, in which my research colleagues and I became increasingly involved in the 1990s, it is imperative to note just how exceptional and extraordinary this episode was in the universe of economic sanctions cases. The development of a major auxiliary humanitarian program, the Oil-for-Food (OFF) relief system, was unprecedented in and of itself. But its uniqueness was most manifest in its direct linkage to the most comprehensive and cumbersome sanctions system in history. It is highly unlikely that any combination of these forces will occur in the future.

Thus my experience makes me particularly cautious about over-generalizing about the formulation and implementation of economic sanctions based on the strengths or weaknesses of the Iraq episode. It has its rightful, prominent place in the annals of economic sanctions. But neither it, nor its related Oil-for-Food program, should be considered the determinative case. Of course US legislators should be concerned about whether the failures manifest in the administration of OFF is endemic to sanctions enforcement or to the UN generally. As I discuss below, the most serious aspects of those concerns have been addressed by the findings of the Volcker Committee and subsequent or pending UN reform processes. The improvements they have suggested help us assess the future efficacy of economic sanctions, but they do not determine it.

Lessons Learned from the Volcker Committee

I will not re-examine here the full scope of the IIC findings or many of the OFF controversies that have already been discussed in numerous Congressional hearings, in various policy forums, and most certainly in the press. I isolate for comment below what I believe to be the findings most relevant to assessing the capacity of the UN system to develop and execute an effective sanctions regime in the future. My concern is whether the errors of omission and commission found in the inquiry about OFF and the wider Iraqi sanctions case leads us to believe that such problems are endemic to the UN or indicative of shortcomings in the sanctions enterprise itself.

In its first report, the Committee drew an important distinction among matters of the Oil-for-Food (OFF) program which were within the purview of the UN Secretariat from those which were a function of the Security Council. Further, the IIC reminded us that UN member states - through the Council, in their actions on the 661 Iraq sanctions committee, and in their own individual action or inaction – structured and managed many

aspects of the OFF program with various strategic and political considerations in mind. Volcker recognized how this often led the member states to take decisions outside of the OFF which countervailed the very sanctions regime the members had created. These actions also permitted - as is now dramatically clear in hindsight – Saddam Hussein to garner illicit assets outside the eye of the OFF, but this was tolerated at the time.

Understanding this critical division of responsibilities regarding sanctions implementation which belong to the Secretariat, to the Council, and to member states respectively, is central to sanctions success. A dispassionate reading of the Volker report underscores a fundamental reality of UN sanctions: they are only as effective as the resolve of member states to enforce them. In the Iraq case, the Security Council's determination was first to hold together a regional coalition of states whose governments would continue to participate in denying Saddam Hussein military goods, and then to maintain the flow of humanitarian relief to the people of Iraq. That the entire sanctions process and the Oil-for-Food program were politicized to achieve these ends should surprise no one. That the Security Council – most often via the action of its powerful individual members - made critical decisions that overrode the normal mandates of UN agencies and ignored recommendations and concerns expressed by the Secretariat regarding sanctions violations was accepted as the price of making the sanctions and OFF work. Nonetheless, current revisionist history critiques these same UN agencies and personnel for those failures or actions which were not of their own doing.

The IIC provides some direct answers, and some indirect ones, regarding what led to and sustained the manner in which the UN system went awry. The most significant and debilitating aspect of the system under investigation resided in the Internal Audit Division (IAD) and the larger Office of Internal Oversight Services (OIOS). Various factors combined to lead to the series of inadequacies in IAD which the IIC thoroughly details in chapter 5 of its first report. Insufficient numbers of staff relative to the growing and then insurmountable work load that was the OFF was compounded by lack of oversight. In addition, the jurisdictional ambiguities of the Memorandum of Understanding between the UN Secretariat and Iraq and the Sanctions Committee regarding certain goods review procedures meant that numerous errors of omission occurred in IAD performance.

Accusations continue to abound about rampant OFF and, by extension, UN corruption. These sentiments are generalized to the entire UN management system, particularly to the Secretariat, thus raising skepticism about the viability of future sanctions. I admit it is difficult to explain these claims in light of the findings of the Volker committee, which include:

- only one OFF official, *who notably was not a member of the UN Secretariat,* has been accused of profiting and potentially illegal activity for his role in OFF;
- of the oversight and accounting errors discovered, none led to criminal charges; ineptitude, lack of administrative control, disregard of usual procedures, all serious concerns, were fully documented - but none were illegal;
- no evidence was found that the Secretary-General influenced the awarding of

contracts to companies involved in goods procurement, sanctions monitoring, or in winning humanitarian aid contracts;
- the vast majority of oil voucher and other fraudulent activities related to OFF occurred outside of that system, with the final Volcker report naming some 2200 discrete private entities which warrant further scrutiny;

With these cautions in mind, it is the case that a careful reading of the Volcker report points to a series of reforms, most of which are in process of being instituted, that can improve the administration and effectives of UN sanctions. These include:

- The creation of a more systematized and transparent UN audit system for sanctions and related ventures. Related to this is the imperative to guarantee adequate professional staffing and oversight to OIOS;

- Future sanctions resolutions must clearly and unequivocally prohibit a role for the targeted state in negotiating any part of penalty mechanisms, re-adjustments of sanctions, or aspects of humanitarian programs;

- The internal review rules of sanctions committees must be reformed so that if some portion of the committee, let us suggest five of the fifteen members, seek to initiate policy reviews of committee workings, such will occur;

- UN Memoranda of Understanding must be reconciled with internal UN management and procurement policies at the outset of any sanctions incident or international relief program;

- The liaison and management functions of the Sanctions Committees within the Secretariat's Department of Political Affairs must be thoroughly restructured. One option might be to establish the office of an independent Coordinator of Sanctions Affairs. This position would be less involved with member states sentiments, and charged exclusively with sanctions implementation and monitoring;

- A new conflict of interest and anti-corruption code of conduct should be developed for members of the UN Secretariat. In the same vein, member state representatives must recognize and be held accountable for their own obligation not to create situations that compromise the professional staff involved in sanctions administration;

- National judicial systems must further investigate and when appropriate, prosecute companies and individuals responsible for fraud, illicit profiteering and countervailing trade prohibitions related to the Iraq sanctions and their own national laws. We know these processes are unfolding in various nations with some degree of success.

The Little Known Sanctions Reform Processes

It is instructive to our deliberations that just last week the UN Security Council passed SCR 1672. This action imposes travel and financial sanctions on four specific Sudanese individuals for their role in fomenting the on-going violence in the Darfur region of Sudan and along the Chad-Sudan border. The specificity of type of economic constraint and their identification of individuals - not national governments - as targets indicates a level of sophistication in sanctions formulation and implementation that is not widely known, and thus not appreciated by even the literate public. It is a direct result of reform discussions and practices which have been part and parcel of the UN sanctions system since 1994 and to which I have been privileged both to scrutinize and partake with varying degrees of involvement.

I claim that the strongest reason for confidence in economic sanctions as an effective diplomatic tool is that over the past decade groups of diplomats, sanctions specialists, experts in banking, commodities trade, law enforcement, transportation, comparative legislative behavior, and representatives of international governmental and non-governmental organizations have worked in concert to define, develop, revise substantial proposals for the formulation and implementation of targeted – often called smart – sanctions. These, in turn, have been further refined in the practice of the Council itself and through the development of legislative model laws for national member states. These new formulations are the subject of on-going investigation and consultation by a select group of specialists in the US, in Europe and within the UN Secretariat.

Sanctions are smart or targeted in two dimensions: (1) they take as their target specific economic actors (companies, entities, or individuals) deemed most responsible for the policies or actions considered by the international community as illegal or abhorrent; and (2) they narrow the focus of economic coercion to a rather micro-activity which constrains the target in unique and painful ways. In the former category, this permits sanctions to be directed either against specific governmental individuals or private citizens who are most to blame for violations. In the latter focus, luxury goods or very specific commodities, such as timber or diamonds, will be embargoed. Then smart sanctions will be imposed on armaments and related technologies, financial assets, and aviation and travel.

The impetus for smart sanctions came from increased concern about the inefficiencies and negative humanitarian consequences of comprehensive trade sanctions. By 1994, sanctions specialists, members of the UN Secretariat working on sanctions, and selective national missions had come to view the broad attack on a national economy was an 'overkill' relative to the political compliance desired when sanctions were imposed. These sentiments were furthered by Security Council concerns with the Haiti, Yugoslav and especially the Iraq case where reports of the devastating humanitarian effects of sanctions became well documented.

Herein lays the connection with the Iraq sanctions episode and the future of UN sanctions: the lesson learned - and very much acted upon - in UN circles was that the human costs of general trade sanctions were so high that they undercut the prospects for achieving the political success that prompt such sanctions. Thus, no sanctions package adopted by the Security Council after 1994 has involved a general trade embargo. This decision also prompted the search for more effective means of economic coercion that were within the bounds and spirit of action which the UN might take under chapter VII of the UN charter.

UN personnel and experts noted quickly the success of global cooperation in the early years of operation of the Financial Action Task Force (FATF), which was established in 1989 to control drug money laundering. Also noted was the long-term viability of developing internationally binding guidelines such as those developed for air transport through the International Civil Aviation Organization (ICAO). The search for using standard setting mechanisms such as these, by which member states might enforce economic coercion on targets short of full trade embargoes, led to three reform processes sponsored by different nations, and to substantial involvement of UN and member state personnel with sanctions innovation at the Council level.

In 1998 and 1999, the Swiss government convened two international seminars at Interlaken which brought together financial experts and regulators, bankers, international practitioners, lawyers and academic researchers from about two dozen nations to develop concrete proposals for instituting and improving financial sanctions against individuals and designated entities. Special attention was devoted to exploring how to increase the technical capacity of the UN system and member states in locating and locking down assets and in harmonizing financial terminology - such as what comprises an 'asset' in various national banking systems. This led to the development of model Security Council resolutions and the exploration of how to strengthen national member state capacity to implement targeted financial sanctions. From 2000 until the present considerable refinement of these techniques and the exploration of their success has been greatly assisted by the research of scholars at the Watson Institute for International Studies at Brown University. Since the late 1990s, targeted financial sanctions have been the cornerstone of effective UN sanctions imposition.

In a successor series of workshops and practitioner oriented sessions, the German Foreign Ministry asked the Bonn International Center for Conversion (BICC) to spearhead an initiative on the refinement of travel bans, aviation sanctions, and the strengthening of arms embargoes. Expert meetings were held in Bonn in 1999 and Berlin in 2000, with follow-up work continuing until 2006 through BICC and the Kroc Institute in the analysis of the effectiveness of arms embargoes. This Bonn-Berlin process was especially effective in that its designers aimed to link these distinct types of targeted measures within a similar framework in both policy and in practical implementation. There was special attention devoted to arms embargo monitoring. The outcome of the process was the development of model language to guide future Security Council resolutions and national legislation to enhance arms embargo enforcement.

In October, 2001, Sweden announced its initiation of a third process, which would focus on the implementation of targeted sanctions. The Stockholm process was an intense series of seminars and commissioned research papers which made detailed recommendations for each of the different types of targeted sanctions. Beyond the critically important advancement of best practices in each area of targeted sanctions, the Stockholm process explored significant issues of new UN practices with smart sanctions, such as those developing in the UN Counter-Terrorism Committee. It also provided comprehensive recommendations across various agencies and smart sanctions for improved implementation and monitoring. The Department of Peace and Conflict Research at Uppsala University continues research and convening of other seminars examining these themes.

The results of the Interlaken and Bonn-Berlin processes were discussed at length within the Security Council in early 2001, the results of the Stockholm Process in 2003. Their impact on the quality of the smart sanctions enterprise has been considerable in the refinement of technique, increasing their impact, sharpening their monitoring and especially in improving the quality and attention devoted to national laws that are needed to support effective Security Council sanctions. These improvements, in turn, make more effective the work of the Sanctions Committees charged with administering and monitoring such targeted sanctions.

These three reform processes were dynamically interactive with innovations being introduced by the Security Council in the 1990s in each of the categories of targeted sanctions. With financial sanctions, the Council moved beyond freezing the assets of governments alone to targeting designated individuals in government and entities as well. This pattern continued through the Angola and Afghanistan cases in the latter part of the decade. In the cases of the DRC, Côte d'Ivoire and now Sudan, the Council was authorized to apply targeted measures on designated individuals. The counter-terrorism financial sanctions mandated in Resolution 1373 were also directed against entities and individuals.

As the Security Council shifted toward imposing targeted sanctions in cooperation with member states, it developed the capacity to research and publish lists of designated sanctions targets which were subjected to asset freezes and travel bans. The Council was also empowered to impose financial sanctions and visa bans on lists of designated targets in specific sanctions cases. This practice, used in the cases of Angola, Sierra Leone, Afghanistan, Liberia, DRC, Sudan, and Côte d'Ivoire, would prove significant for the Council's approach to handling terrorism after September, 2001.

It also attempted to make improvements in the design and implementation of arms embargoes. Efforts were made to encourage member states to criminalize violations of UN arms embargoes and strengthen export control laws and regulations. These initiatives helped to create a firmer foundation in the domestic law of member states for penalizing companies and individuals who supply arms and military related goods in violation of UN arms embargoes. In 2004 the Security Council directed UN peace-keeping forces in the Democratic Republic of Congo and Côte d'Ivoire to assist with the monitoring of

arms embargoes in these countries. This added significant new responsibilities to the mission of UN peace-keepers in these countries.

Commodity-specific boycotts were also imposed more frequently. Oil embargoes were imposed as part of the sanctions against Iraq, Yugoslavia, Haiti, UNITA in Angola, and the military junta in Sierra Leone. An embargo on the export of logs was imposed against the government of Liberia. Diamond embargoes were introduced in 1998 with the case of Angola. As non-governmental agencies and human rights groups documented the role of diamond smuggling in financing the armed rebellions in Angola and Sierra Leone, the Security Council took action to interdict the trade in so-called "blood diamonds." The council imposed diamond embargoes against UNITA in 1998 by Resolution 1173, in 2000 the Revolutionary United Front areas (RUF) of Sierra Leone by Resolution 1306, and in 2001 the government of Liberia by Resolution 1343.

To overcome the lack of monitoring capacity within the UN system, the Security Council appointed independent expert panels and monitoring mechanisms to provide support for sanctions implementation. The first panel was established in conjunction with the arms embargo against Rwandan Hutu rebels by Resolution 1013 in 1995. A break-through toward more effective monitoring came in the case of Angola. In 1999, the Angola sanctions committee became more active in monitoring sanctions violations and encouraging greater implementation efforts. The Security Council also appointed a panel of experts and a subsequent monitoring mechanism to improve compliance with the Angola sanctions. The panel of experts and monitoring mechanism issued a series of reports that focused continuing attention on sanctions implementation efforts. The Angola panel of experts and the monitoring mechanism were followed by similar investigative panels for Sierra Leone, Afghanistan, and Liberia.

An investigative panel was also created to examine the exploitation of mineral wealth and natural resources in the DRC, and to monitor compliance with sanctions after 2003. Panel reports were also commissioned in 2004 in the cases of Sudan and Côte d'Ivoire. In each of these settings, the investigative panels produced detailed reports on sanctions violations and smuggling activities. The Sierra Leone panel of experts focused on the link between arms trafficking and diamond smuggling and found a pattern of widespread violations of UN sanctions. The panel issued numerous policy recommendations, the most important of which was that sanctions be imposed on the government of Liberia for its role in undermining sanctions implementation and providing support for the rebels in Sierra Leone. Sanctions on the Charles Taylor regime soon followed.

The Security Council created a monitoring mechanism for Afghanistan in July 2001 through Resolution 1363 and established an associated Sanctions Enforcement Support Team to strengthen the implementation of the arms embargo, travel sanctions, and targeted financial sanctions imposed against the Taliban regime. After the overthrow of the Taliban, in 2002 the Council altered the mission of the monitoring group in Resolution 1390. It later created a new Analytic Support and Sanctions Monitoring Team

to investigate and provide support for the continued financial, travel, and arms sanctions on former Taliban leaders and members of al-Qeada.

Reformulation and new thinking about strengthening UN sanctions continues to occur within both the Secretariat and the Council. Particularly active in keeping abreast of new changes and the state of existing research has been the Security Council Informal Working Group on General Issues on Sanctions. We witnessed in numerous individuals in the past decade, including but not limited to those who work steadfastly in the Security Council Affairs Division of the Department of Political Affairs of the UN Secretariat substantial expertise, commitment, creativity and integrity in searching for and implementing humane and effective measures meant to preserve global peace and security. In these people and processes the US Congress should have great confidence.

In the absence of any serious research agency within the UN structure, these reforms and the associated think-tanks and university research units which have assisted them, have produced methods of sanctions imposition, empowered nations to develop legal mechanisms compatible with Security Council mandates, and have continued to provide a forum for exchange of ideas about best practices, sanctions evaluation, and recommendations for improvement. Both the scope and the substance of this development of targeted sanctions should spark some confidence that the UN sanctions system can be very effective in the foreseeable future.

How UN Management Reforms May Effect UN Sanctions

As your committee well knows, there have been a variety of reform proposals and actions within the United Nations, and most especially regarding the UN Secretariat, all of which over the past three years have occurred in a highly charged political atmosphere and a very public context. Many of these reform plans lie in areas beyond the scope of sanctions and thus beyond our concern. But it is significant to note, however, how and where the work of the Volcker Committee, that of the UN High Level Panel Report, and the Secretary – General's own plan of March, 2005, entitled *In Larger Freedom,* have resulted in the creation of new positions and practices which will further facilitate the increased efficacy of sanctions.

There are three major administrative areas of recent UN reform that have – or are about to have – significant changes which are likely to enhance the capacity of the UN system that is, the Secretariat, the Security Council, and the member states, to formulate and implement chapter VII based economic sanctions. I detail each of these briefly:

1. Improved Administration and Management. There has been on-going reform in the area of senior management within the UN over the past 18 months. The year 2005 saw significant and far-reaching change in the manner in which senior level personnel are appointed and reviewed in the Secretariat. Top-level decision-making and shared authority and accountability of the Secretary-General has been greatly enhanced by the inauguration of both a Policy Committee and a

Management Committee. Beyond these structural additions, new processes for recruitment, training and evaluation are being put in place.

2. Increased Oversight, Transparency and Accountability. This administrative area has witnessed multiple changes, many of which respond to concerns raised by the IIC investigation. In the management and accountability area, a new Management Performance Board has been created and held its first meeting in July, 2005. Price-Waterhouse-Coopers will soon complete its report on how to ensure accurate, transparent and honest audits of UN agencies. And most significantly, the Creation of a new Oversight Committee and the addition of more than three dozen new professional positions in the OIOS are designed to improve that critical organization's capacity and the effective completion of its work.

3. Enhanced Ethical Codes and Means of Conduct. In dealing with the behavior and responsibilities of all UN officials, there are new modes of operation within the system. All personnel involved in procurement and fiduciary work have new financial disclosure obligations and conflict of interest rules. A significantly far-reaching 'whistle-blower' set of practices and policies are in place. Much of this is reinforced by the creation of a new Ethics Office within the Secretariat.

The UN and member state generated, specialized sanctions reform process mentioned previously proceeded below the radar screen, much unlike these responses to the mandate for change. But these patterns of reform will undoubtedly merge to create a leaner, more accountable, transparent and effective management system for UN Security Council sanctions in the years ahead.

The Bottom Line: The UN, in its multiple identifications, can do the sanctions job

Are sanctions still a viable diplomatic tool? Absolutely and they must be. In fact, the internal reform processes of the sanctions instrument that have occurred within the UN system during the past eight years combine with the Volcker based reform proposals and those generated by the wider discussion of UN reforms to provide realistic optimism regarding economic sanctions. These coercive measures are technically more sophisticated, more biting economically, and so much more precisely targeted on offenders that sanctions are a more versatile policy option than ever envisioned when sanctions re-entered the repertoire of diplomatic tools in 1990. [This dynamic is displayed in the chart in Appendix C]

The imperative for targeted sanctions is self-evident. The diverse nature of offenses which may be committed against international law and norms by both national governments and non-state actors demands a flexible, yet effective response. The history of economic sanctions since the early nineties reveals remarkable versatility and adaptability in the practical, technical and target-specific dimensions of sanctions formulation and implementation. After the UN Security Council took the unprecedented action of imposing measures of economic coercion against violent and factional groups such as the Khmer Rouge and the UNITA armed faction in the 1990s, now the prevailing

applied technique of the UN's effort in counter-terrorism via UNSCR 1373 and its successor resolutions is to use targeted financial and travel sanctions to deny assets and movement to al-Qaeda and like-minded groups. This trend very much benefits US interests.

In 2006, the means for imposing, implementing, monitoring, and refining economic sanctions are more robust than ever before. Recent history – including the analysis provided by the Volcker Committee – reveals that the UN key bodies of the Security Council and within the Secretariat have quite divergent responsibilities in the formulation, implementation and monitoring of sanctions. And for the vast majority of cases, these responsibilities have been effectively executed. No doubt new practices and entities sparked by wider UN reform will enhance these systems – but sanctions effectiveness at the UN is not dependent on these.

As the critical and dominant third UN component, only the member states of the Council and the wider UN can guarantee that sanctions are actually implemented. In the history of the so-called Oil-for-Food scandal, one pattern is clear – the powerful members of the Security Council will do what they choose is in their national interest. As they acted during the Oil-for-Food era, they will make exceptions to Council resolutions, fail to take action on recommendations provided by the Secretariat, and hold control of the sanctions enterprise close to their own decision-making center. In other words, the unique mix of professionalism and politics which characterizes the UN at its core, always has - and will likely continue - to influence economic sanctions.

Thus, the on-going task of sanctions reform is to increase member states capacity – and thereby to positively influence their willingness - to implement the measures which the wider global community have deemed necessary to preserve peace and security. The use of smart, targeted sanctions provides some confidence that this can be accomplished, even as it places before the member states, the Council, and the Secretariat a new set of important practical, legal and ethical challenges which will doubtless be central to continued sanctions success in this decade.

Thank you for this opportunity. Respectfully submitted,

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